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Area state lawmakers are eyeing a sales tax increase of between 1/4 to 1/2 percent for suburban counties as a way to provide needed funding for mass transit services and other transportation projects.

Mass transit agencies Metra, Pace and the CTA have threatened major service cuts or fare hikes unless the state produces \$226 million to balance the combined budgets. The proposed cuts include eliminating bus routes that serve Arlington Heights, Palatine, Elk Grove, Woodfield, Randhurst and the Barrington Road corridor and reducing the service area for the paratransit program for people with disabilities.

"No one wants to increase any type of tax but, very visibly, the reality is highways are at gridlock, both in Cook County and the collar counties," said Arlington Heights Mayor Arlene Mulder, who also is a member of the Metra Board of Directors. "To see a decline in transit for whatever reason, would further increase gridlock. Having cars and trucks sit in traffic is so inefficient, we have to invest in transit."

State Reps. Sid Mathias of Buffalo Grove and Kathy Ryg of Vernon Hills are co-sponsors of Senate Bill 572, which would increase sales taxes in six suburban counties, including Cook, Lake and McHenry, to provide additional funding for transit and other transportation services.

The plan would generate an estimated \$450 million in additional operating funds for the CTA, Pace and Metra, Mathias said. That would include \$100 million more for paratransit services, he said.

For Cook County and Chicago, the plan proposes a 1/4 percent sales tax increase, plus a \$3 per \$1,000 real estate transfer tax in the city of Chicago only.

For suburban Lake, McHenry and other collar counties, there would be a 1/2 percent sales tax

increase on goods and services. Half of that money would support the mass transit agencies. The other half could be used by local county boards for needed road and transportation projects.

On Monday, U.S. Rep. Mark Kirk, R-10th, of Highland Park, and U.S. Rep. Melissa Bean, D-8th, of Barrington, along with state legislators and local officials, attended a hearing of the bi-partisan Suburban Transportation Commission to discuss mass transit funding in the region and the proposed tax increases.

Kirk expressed concerns that the plan increases taxes on suburban residents, but that most of money would be spent to bail out the CTA from its current budget and pension crisis. He said the legislation earmarks no money for capital projects such as construction of Metra's proposed STAR Line.

"The current proposal would triple (sales) taxes on suburban families, but provide no funding to match the \$600 million federal commitment for Metra's STAR Line. We believe that no federal dollar should be left unclaimed by Illinois," he said after the meeting.

"Some people say this is just a CTA bailout," said Mathias, who testified before the commission. But, he said, "Metra is hurting for money. Pace is hurting for money. This is not a general sales tax increase throughout the state. It's only in the six-county region and it is for a specific purpose.

"The first byproduct of not passing this (bill) will be a few hundred thousand more people getting into their cars and driving because they don't have any other alternative," Mathias said. So even people who don't use public transportation will be affected by the influx of new motorists on the road.

The sales tax increase would be only one part of the solution. Another amendment proposed would "enhance the RTA's responsibility and accountability with respect to regional planning, fiscal oversight and fare and service coordination." The RTA would review the budgets of Pace, Metra and the CTA and could withhold funds if the RTA did not approve the budgets, Mathias said.

Before the House votes on the bill, another amendment will be added dealing with CTA health-care and pension reform. Pension funds are being diverted to pay the rising cost of CTA retirees' health-care benefits, according to a report by the Auditor General. The CTA is negotiating with union representatives, Mathias said. If they cannot agree, "we are not going to have any consensus on mass transit," Mathias said. "It's not soup yet."

Mathias expects the "No. 1 opponent" to the sales tax hike proposal will be the governor. But the General Assembly can override the governor's veto with a three-fifths majority vote. Since the legislature is in an overtime session, all bills need a three-fifths majority to pass anyway, Mathias observed.

He has not heard from local officials, yet, about the proposed sales tax.

Mulder said the increase in Cook County would be an additional 25 cents (tax) on a \$100 item.

"None of us like it," she said. "We don't like traffic gridlock either, and it certainly is not helping us clean our air. There is a lot at stake."

This article was edited to comply with Franking Commission guidelines.